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LISTING STATEMENT No. 1959

LISTED APRIL 5th, 1957

76,083 5% cumulative redeemable preference shares,
first series, of \$25 par value.
Ticker abbreviation GLP PR
Post section 11
400,000 common shares without par value
Ticker abbreviation GLP
Post Section 11

JUN 5 1957

TORONTO STOCK EXCHANGE

LISTING STATEMENT

GREAT LAKES POWER CORPORATION LIMITED

Incorporated under the laws of the Province of Ontario by Letters Patent dated December 14, 1949.
Supplementary Letters Patent have been issued to the Company under date of February 16, 1951.

5% CUMULATIVE REDEEMABLE PREFERENCE SHARES, FIRST SERIES,
OF THE PAR VALUE OF \$25 EACH

COMMON SHARES WITHOUT NOMINAL OR PAR VALUE

CAPITALIZATION AS AT MARCH 1, 1957

FUNDED DEBT	AUTHORIZED	OUTSTANDING	TO BE LISTED
FIRST MORTGAGE BONDS.....	\$15,000,000		
Series "A", 3½% Serial Bonds maturing \$200,000 annually December 30, 1957 to 1959.....		\$600,000	
Series "A", 3½% Sinking Fund Bonds due December 30, 1969.....		\$6,000,000	
Series "B", 4¾% Sinking Fund Bonds due February 1, 1972.....		\$1,315,000	
Series "C", 5% Sinking Fund Bonds due February 1, 1973.....		\$2,026,000	
Series "D", 4½% Sinking Fund Bonds due December 1, 1976.....		\$2,000,000 (1)	
DEBENTURES.....	(2)		
1955 Series 4¼% Sinking Fund Debentures due August 1, 1975.....		\$4,500,000	
SHARE CAPITAL			
Preference Shares, par value \$25 issuable in one or more series.....	196,083 (3)		
5% cumulative redeemable preference shares, First Series.....		76,083 (4)	76,083
Common shares without nominal or par value	500,000	400,000	400,000

NOTES:

- (1) An additional \$750,000 principal amount of First Mortgage 4½% Sinking Fund Bonds, Series "D", have been issued and are being held by the Trustee in safekeeping for the Company. The Company has entered into a contract for the sale of these bonds, together with an additional \$1,250,000 principal amount of First Mortgage 4½% Sinking Fund Bonds, Series "D", not yet issued, at \$98 and accrued interest for each \$100 principal amount for delivery on or about June 1, 1957.
- (2) Additional debentures without limitation as to principal amount may be issued subject to certain restrictions contained in the Trust Indenture.
- (3) Reduced from \$5,000,000 divided into 200,000 Preference Shares of the par value of \$25 each by virtue of the redemption of 3,917 5% cumulative redeemable preference shares, First Series, mentioned in Note (4).
- (4) 80,000 5% cumulative redeemable preference shares, First Series, were issued and 3,917 such shares were subsequently redeemed leaving 76,083 such shares outstanding.

Sault Ste. Marie, Ontario,
March 20, 1957

1.

APPLICATION

GREAT LAKES POWER CORPORATION LIMITED (herein referred to as "the Company") hereby makes application for listing on The Toronto Stock Exchange of 76,083 5% cumulative redeemable preference shares, First Series, of the par value of \$25 each (hereinafter called "preference shares, First Series") and 400,000 common shares without nominal or par value of the Company's capital stock all of which are issued, outstanding, fully paid and non-assessable.

2.

HISTORY AND BUSINESS

The Company was incorporated under the laws of the Province of Ontario by Letters Patent dated December 14, 1949. Supplementary Letters Patent were issued to the Company under date of February 16, 1951.

The Company was incorporated to acquire substantially all the fixed assets and water power rights of Great Lakes Power Company, Limited which latter company was incorporated in 1931 by way of amalgamation of its predecessor companies, one of which was incorporated in 1916. The power generated by the Company is sold to Great Lakes Power Company, Limited which continues to act as a public utility. The Company has also acquired all the capital stock of Great Lakes Power Company, Limited.

For forty years Great Lakes Power Company, Limited and its predecessors have provided the hydro-electric power used in the City of Sault Ste. Marie, Ontario, and the surrounding territory.

The installed capacity at present is 173,000 h.p. Electric power is produced by six hydro-electric generating stations all interconnected by over 193 miles of transmission lines. Sales of electric energy in 1956 amounted to 569 million kilowatt hours.

On the St. Mary's River at Sault Ste. Marie, Ontario, the Company holds the right in perpetuity to use for power purposes 20,000 cubic feet of water per second and holds the right until March 31, 1957 to use 6,500 additional cubic feet of water per second. Application for renewal of this latter right has been made. On the Michipicoten River, the Company's water power leases at High Falls extend to February 15, 1966 with the right of renewal to December 31, 2000; at both Scott Falls and McPhail Falls to December 31, 1970 with the right of renewal to December 31, 2000. On the Montreal River the Company's water power leases extend to November 1, 1960 with the right of renewal to December 31, 2000. On March 1, 1957, the Company had 167 employees.

3.

INCORPORATION AND CAPITAL CHANGES

The Company was incorporated under The Companies Act of the Province of Ontario by Letters Patent dated December 14th, 1949, with an authorized capital consisting of 200,000 preference shares of the par value of \$25 each, issuable in one or more series, and 500,000 common shares without nominal or par value. By the Letters Patent 40,000 preference shares, First Series, were authorized for immediate issue. By Supplementary Letters Patent dated February 16th, 1951 an additional 40,000 preference shares, First Series, constituting part of the preference shares, First Series, and having the same preferences, priorities, rights, limitations, conditions and restrictions, were authorized for issue. Of the 80,000 preference shares, First Series, issued, 3,917 preference shares, First Series, have been redeemed. Thereby the authorized capital was reduced to 196,083 preference shares of the par value of \$25 each, issuable in one or more series, and 500,000 common shares without nominal or par value.

4.

NO PERSONAL LIABILITY — OPINION OF COUNSEL

The opinion of Messrs. McMillan, Binch, Stuart, Berry, Dunn, Corrigan & Howland, 50 King Street West, Toronto, Ontario, as counsel, as to the legality of the incorporation and organization of the Company, the issue of its shares and the fact that the shares are fully paid and non-assessable is filed herewith. Mr. Gordon McMillan, Q.C., a partner in the firm of Messrs. McMillan, Binch, Stuart, Berry, Dunn, Corrigan & Howland, is a director of the Company and of Great Lakes Power Company, Limited.

5.

SHARES ISSUED DURING PAST TEN YEARS

DATE OF ISSUE	NUMBER OF SHARES		AMOUNT REALIZED PER SHARE	TOTAL AMOUNT
December 30, 1949.....	40,000	Preference Shares First Series (1)	\$25.00 (2)	\$1,000,000 (2)
December 30, 1949 to February 2, 1950	300,000	Common Shares	\$1.00	\$ 300,000
March 2, 1951.....	40,000	Preference Shares First Series (1)	\$25.00 (3)	\$1,000,000 (3)
December 1, to 27, 1955.....	100,000	Common Shares (4)	\$12.00	\$1,200,000

NOTES:

- (1) Of the 80,000 Preference Shares, First Series, issued in 1949 and 1951, 3,917 shares have been redeemed leaving 76,083 outstanding on March 1, 1957.
- (2) Out of the amount realized by the Company a commission of \$1.25 per share was paid to the underwriters of the issue.
- (3) Out of the amount realized by the Company a commission of \$2.00 per share was paid to the underwriters of the issue.
- (4) The Company offered to the holders of its common shares the right to subscribe for one new common share for each three common shares then held by them.

The proceeds from the issues of shares in 1949 and 1950 were used along with other funds to acquire substantially all the fixed assets and water power rights of Great Lakes Power Company, Limited and to acquire all the capital stock of the latter company.

To meet the demand for power in the area in which the Company operates, the Company has undertaken major construction programmes. Proceeds from the issues in 1951 and 1955 were used along with other funds derived from other sources towards extensions and improvements to the Company's plant and properties under these construction programmes and for other corporate purposes.

6.

STOCK PROVISIONS AND VOTING POWERS

A summary of the principal rights, preferences, privileges, priorities and restrictions attaching to the preference shares (and to the preference shares, First Series) and to the common shares is as follows:

The preference shares are all issuable in one or more series, carry and are subject as a class to certain provisions. These provisions stipulate, among other things, that the preference shares of each series shall rank on a parity with the preference shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution, or winding-up and that no series of preference shares shall be authorized carrying a dividend in excess of 6% per annum or entitled to receive upon liquidation, dissolution, winding-up or redemption a sum in excess of \$26.25 per share plus unpaid dividends accumulated thereon.

The preference shares, First Series, carry and are subject to, in addition to the provisions attaching to the preference shares as a class, certain further provisions which stipulate, among other things, in effect as follows:

(1) The holders of the preference shares, First Series, shall be entitled to receive, when and as declared by the Board of Directors of the Company, fixed, cumulative, preferential dividends at the rate of five per centum (5%) per annum on the capital paid up thereon and no more, payable in quarterly instalments on the 30th days of March, June, September and December in each year.

(2) The Company shall not pay any dividend on any common shares of its capital stock or any other shares of its capital stock ranking junior to the preference shares until all current and accrued cumulative dividends on its preference shares, First Series, and any other series of preference shares outstanding shall have been declared and paid or provided for.

(3) The preference shares, First Series, shall not, except as aforesaid, be entitled to participate in any earnings or profits of the Company.

(4) After full cumulative dividends on the preference shares, First Series, and any other series of preference shares outstanding for all previous dividend periods and for the then current dividend period shall have been declared and paid or provided for, dividends may be paid on the common shares at such times and in such amounts as the Board of Directors of the Company may deem advisable.

(5) The preference shares, First Series, shall be subject to redemption on not less than thirty (30) days' notice at any time either in whole or in part as from time to time the Board of Directors of the Company may determine at \$26.25 per share plus all unpaid accrued cumulative dividends thereon to the date fixed for such redemption.

(6) The Company may at any time or times purchase (if obtainable) for cancellation the whole or any part of the preference shares, First Series, outstanding from time to time in the market at the lowest price at which in the opinion of the Board of Directors of the Company such shares are obtainable, but not exceeding the sum of \$26.25 per share plus costs of purchase and an amount calculated as if the preferential dividends on such shares were accruing for the period from the expiration of the last quarterly period for which dividends have been paid up to the date of purchase.

(7) In the event of any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or upon any distribution of the assets of the Company (otherwise than by way of dividends or redemption or purchase of preference shares) the assets of the Company shall be distributed amongst the holders of the preference shares, First Series, and any other series of preference shares outstanding in the following order of priority, namely:

The holders of outstanding preference shares, First Series, shall be entitled to receive \$26.25 per share and any unpaid accrued cumulative dividends thereon and the holders of any other series of preference shares shall be entitled to receive, subject to the limitation contained in the terms and conditions attached to the preference shares, as a class, such amount as in any of the events aforesaid is provided for such series before any of the assets of the Company shall be distributed among or paid over to the holders of common shares and after such payments to the holders of preference shares, the holders of common shares shall be entitled to have divided rateably among them all of the assets then remaining.

(8) The holders of preference shares, First Series, shall not be entitled except as otherwise provided in the terms and conditions attaching to the preference shares, as a class, to receive notice of or to attend or vote at any meeting of the shareholders of the Company unless and until the Company from time to time shall fail to pay in the aggregate six quarterly dividends on the preference shares, First Series, on the dates on which the same should have been paid according to the terms hereof, whether or not such dividends have been declared and whether or not there are any monies of the Company properly applicable to the payment of dividends; thereafter so long as any dividends remain in arrears, the holders of the preference shares, First Series, shall be entitled to receive notice of and to attend all meetings of shareholders and to one vote in respect of each preference share, First Series, held by them.

(9) Each common share shall entitle the holder thereof to one vote.

(10) So long as the Company is not in arrears in payment of any quarterly dividends on the preference shares, First Series, the preference shares, First Series, now or hereafter issued are to be entitled to the benefit of a sinking fund commencing April 1, 1952 equal in each year to 10% of the net earnings of the Company and subsidiary companies for the last preceding fiscal year. The sinking fund is to be used for the purchase in the market of preference shares, First Series, (if obtainable) for cancellation at prices not exceeding the par value plus costs of purchase. The aggregate of the amounts set aside for sinking fund purposes and not used for the purchase of preference shares, First Series, is not at any time to exceed 4% of the aggregate par value of the preference shares, First Series, then outstanding.

There are no conversion or exchange rights relating to any of the shares.

7.

DIVIDEND RECORD			
	5% PREFERENCE SHARES	COMMON SHARES	TOTAL DIVIDENDS PAID
	FIRST SERIES		
1950.....	5%	Nil	\$ 50,000.00
1951.....	5%	"	100,000.00
1952.....	5%	"	99,310.00
1953.....	5%	"	98,291.89
1954.....	5%	"	97,273.75
1955.....	5%	"	97,273.75
1956.....	5%	"	95,646.25

8.

RECORD OF PROPERTIES

On December 31, 1956, the Company owned its office building in the City of Sault Ste. Marie, Ontario, and six hydro-electric power stations of which one on the St. Mary's River at Sault Ste. Marie, Ontario, had developed capacity of 31,000 h.p. and three on the Michipicoten River (approximately 112 miles north of Sault Ste. Marie) had developed capacity of 33,000 h.p., 20,000 h.p. and 15,000 h.p. respectively and two on the Montreal River (approximately 58 miles north of Sault Ste. Marie) had developed capacity of 54,000 h.p. and 20,000 h.p. respectively.

The Company has lands, some in freehold and some in leasehold, for the storing of water and the development of power and other such lands on which are located transmission and distribution lines, the whole totalling approximately 29,000 acres. The Company has water power leases on the Michipicoten River and on the Montreal River and has the right to use water of the St. Mary's River for power purposes.

9.

SUBSIDIARY COMPANIES

Great Lakes Power Company, Limited, incorporated under the laws of Ontario by Letters Patent dated October 6th, 1931, is a wholly-owned subsidiary of the Company. Its business is the distribution and sale of power generated by the Company. The authorized capital of Great Lakes Power Company, Limited consists of 70,000 common shares without nominal or par value, of which 52,496 common shares have been issued and are outstanding and are all owned by the Company. Great Lakes Power Company, Limited has no funded debt.

10.

FUNDED DEBT

The aggregate amount of the funded debt of the Company consists of:

FIRST MORTGAGE BONDS

Series "A", 3½% Serial Bonds maturing \$200,000 annually December 30, 1957 to 1959..\$	600,000
Series "A", 3½% Sinking Fund Bonds due December 30, 1969.....	6,000,000
Series "B", 4¾% Sinking Fund Bonds due February 1, 1972.....	1,315,000
Series "C", 5% Sinking Fund Bonds due February 1, 1973.....	2,026,000
Series "D", 4½% Sinking Fund Bonds due December 1, 1976.....	2,000,000 (1)

DEBENTURES

1955 Series 4¼% Debentures due August 1, 1975.....	\$ 4,500,000
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NOTE

- (1) An additional \$750,000 principal amount of First Mortgage 4½% Sinking Fund Bonds, Series "D", have been issued and are being held by the Trustee in safekeeping for the Company. The Company has entered into a contract for the sale of these bonds, together with an additional \$1,250,000 principal amount of First Mortgage 4½% Sinking Fund Bonds, Series "D" not yet issued, at \$98 and accrued interest for each \$100 principal amount for delivery on or about June 1, 1957.

The First Mortgage Bonds of the Company are secured by a Deed of Trust and Mortgage made between the Company and Chartered Trust Company, as Trustee, dated December 30, 1949, and by deeds supplemental thereto expressed to constitute:

- (a) a first, fixed and specific mortgage, pledge and charge on
 - (i) the Company's present and future freehold, leasehold and immovable properties, licenses of occupation, concessions, water power, water rights, water licenses and franchises and rights of renewal thereof,
 - (ii) all the Company's rights and benefits under a power contract between the Company and its subsidiary, Great Lakes Power Company, Limited, made as of December 1, 1952,
 - (iii) all shares and/or securities (except directors' qualifying shares) of the capital stock of Great Lakes Power Company, Limited and any other subsidiary of the Company;
- (b) a first floating charge on the undertaking and all other present and future property and assets of the Company; and
- (c) the unconditional guarantee of Great Lakes Power Company, Limited supported by
 - (i) a first, fixed and specific mortgage, pledge and charge on all the present and future freehold, leasehold and immovable properties of Great Lakes Power Company, Limited,
 - (ii) a first, fixed and specific mortgage, pledge and charge on all the rights and benefits of Great Lakes Power Company, Limited under the aforesaid power contract made as of December 1, 1952 between it and the Company,
 - (iii) a first floating charge on the undertaking and all other present and future property and assets of Great Lakes Power Company, Limited.

The debentures are secured by a Trust Indenture made between the Company and The Canada Trust Company dated as of August 1, 1955. The Trust Indenture does not contain any mortgage, pledge or other charge.

11.

OPTIONS, UNDERWRITINGS, ETC.

There are no outstanding option, underwriting or sale agreements or other contracts or agreements of like nature with respect to any unissued shares or any issued shares held for the benefit of the Company.

12.

LISTING ON OTHER STOCK EXCHANGES

None of the securities of the Company are listed on any other stock exchange.

13.

STATUS OF SHARES UNDER SECURITY ACT

From time to time the Company has filed Prospectuses with The Ontario Securities Commission or with the Provincial Secretary of Ontario. Filings have also been made from time to time with the Securities Commissions in certain other Provinces. The most recent filing was in June, 1955 when a Prospectus covering the issue and sale of the 4¼% Debentures, 1955 Series was filed with The Ontario Securities Commission and with the Securities Commissions in certain other Provinces.

14.

FISCAL YEAR

The Company's fiscal year ends on the 31st day of December in each year.

15.

ANNUAL MEETING

The Company's by-laws provide that "the annual meeting of the shareholders shall be held at such place within Ontario or at such other place (if any) as may be authorized by the Letters Patent or Supplementary Letters Patent, on such day in each year as the Board of Directors may by resolution determine or if no other place or time is prescribed by them then at the head office of the Company on the second Saturday of the month of May in each year." The last annual meeting was held at the Company's office, Sault Ste. Marie, Ontario, on May 12th, 1956.

16.

HEAD AND OTHER OFFICES

The Company's head office is located at Sault Ste. Marie, Ontario.

17.

TRANSFER AGENT

The Transfer Agent in respect of the Company's preference and common shares is Montreal Trust Company in the cities of Toronto and Montreal. The shares are interchangeably transferable at such offices.

18.

TRANSFER FEE

No fee is charged on transfer of shares other than the customary government stock transfer taxes.
19.

REGISTRAR

The Registrar in respect of the Company's preference and common shares is Montreal Trust Company in the cities of Toronto and Montreal.

20.

AUDITORS

The auditors of the Company are Messrs. Riddell, Stead, Graham and Hutchison, Chartered Accountants, 66 King Street West, Toronto.

21.

OFFICERS

Fremlin Edward Hollingsworth	President and Chairman of the Board of Directors	64 Borron Avenue, Sault Ste. Marie, Ontario
Bert Calvin Gartshore	Vice-President and General Manager	29 Riverview Avenue, Sault Ste. Marie, Ontario
James Rickman Andrews	Vice-President and Treasurer	35 Bellevue Avenue, Sault Ste. Marie, Ontario
Cecil Robert Walton, F.C.I.S.	Secretary	110 Bishop's Court, Sault Ste. Marie, Ontario
John Donald McPhail	Assistant Secretary and Assistant Treasurer	14 McPhail Street, Sault Ste. Marie, Ontario

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DIRECTORS

Hugh Eric Cochran	Investment Dealer	133 Farnham Avenue, Toronto, Ontario
Robert Linton Curran	Publisher	1168 Queen Street East, Sault Ste. Marie, Ontario
Bert Calvin Gartshore	General Manager	29 Riverview Avenue, Sault Ste. Marie, Ontario
Fremlin Edward Hollingsworth	President	64 Borron Avenue, Sault Ste. Marie, Ontario
Fremlin Simpson Hollingsworth	Lumberman	33 Summit Avenue, Sault Ste. Marie, Ontario
Alexander Bayliss McLean	Manager	35 Riverside Drive, Sault Ste. Marie, Ontario
Gordon McMillan, Q.C.	Solicitor	1 Glen Edyth Place, Toronto, Ontario
John Donald McPhail	Accountant	14 McPhail Street, Sault Ste. Marie, Ontario
John Henry Ratcliffe	Investment Dealer	76 Glenview Avenue, Toronto, Ontario
William Pearson Scott	Investment Dealer	100 Forest Hill Road, Toronto, Ontario
Stanley Musgrave Wedd	Banker	144 Forest Hill Road, Toronto, Ontario

CERTIFICATE

PURSUANT to a Resolution duly passed by its Board of Directors, Great Lakes Power Corporation Limited hereby applies for listing of the above-mentioned preference and common shares of its capital stock on The Toronto Stock Exchange and the undersigned officers thereof hereby certify that the statements and representations made in this Application and in the documents submitted in support thereof are true and correct.

CORPORATE SEAL

GREAT LAKES POWER CORPORATION LIMITED

"F. E. HOLLINGSWORTH", President.

"C. R. WALTON", Secretary.

STATEMENT SHOWING NUMBER OF SHAREHOLDERS

AS OF MARCH 20th, 1957

5% Cumulative Redeemable Preference Shares, First Series

Number	Shares
890 Holders of 1 - 100 share lots.....	39,590
76 " " 101 - 200 " "	12,603
18 " " 201 - 300 " "	4,961
10 " " 301 - 400 " "	3,950
6 " " 401 - 500 " "	2,944
13 " " 501 - 1000 " "	9,335
2 " " 1001 - up " "	2,700
1,015 Stockholders	Total shares.. 76,083

Common Shares

108 Holders of 1 - 100 share lots.....	9,634
51 " " 101 - 200 " "	8,669
28 " " 201 - 300 " "	7,614
7 " " 301 - 400 " "	2,628
9 " " 401 - 500 " "	4,500
24 " " 501 - 1000 " "	19,085
55 " " 1001 - up " "	347,870
282 Stockholders	Total shares.. 400,000

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FINANCIAL STATEMENTS

GREAT LAKES POWER CORPORATION LIMITED AND SUBSIDIARY COMPANY CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER 1956 ASSETS

UTILITY PLANT:

Stated on the basis of fair value of \$22,200,000.00 as at 31st December 1949 of property acquired as an entirety as appraised by H. G. Acres & Company, consulting engineers plus subsequent additions at cost less retirements..... \$34,580,710.46

SINKING FUND:

Cash sinking fund for the purchase and cancellation of the company's preference capital stock, requiring a further deposit of \$42,098.00 on 1st April 1957..... 33,985.00

CURRENT ASSETS:

Cash.....	\$ 219,133.60	
Short-term investments at approximate realizable value.....	1,677,959.28	
Municipal debentures at cost.....	1,958.29	
Accounts receivable — less allowance of \$4,000.00 for doubtful accounts....	369,467.13	
Materials and supplies, priced at not exceeding cost.....	71,444.96	
Prepayments.....	51,675.80	2,391,639.06

DEFERRED CHARGES:

Debt discount and expense in process of amortization..... 342,389.89

\$37,348,724.41

LIABILITIES

SHAREHOLDERS' EQUITY

Preference capital stock —

Authorized —

196,083 shares of \$25.00 par value each, issuable in one or more series

Issued and outstanding —

76,083 5% Cumulative redeemable preference shares, First Series, redeemable at \$26.25 per share..... \$1,902,075.00

Common capital stock —

Authorized —

500,000 shares without par value

Issued and outstanding —

400,000 shares without par value..... 1,500,000.00

3,402,075.00

Earned surplus (as per accompanying statement)..... 2,037,726.85

Excess of appraised value of utility plant assets over cost as at 31st December 1949..... 9,105,098.71 14,544,900.56

LONG TERM DEBT (as per accompanying statement)..... 16,534,000.00

CURRENT LIABILITIES (exclusive of payments aggregating \$393,000.00 required during the year 1957 relative to long-term debt)

Accounts payable.....	135,111.28	
Amounts payable under equipment purchase contracts.....	702,564.50	
Customers' deposits.....	20,023.76	
Accrued income taxes.....	217,728.22	
Accrued interest.....	165,488.12	
Other.....	47,365.70	1,288,281.58

DEFERRED LIABILITIES:

Customers' advances for construction..... 74,009.29

Accumulated income taxes provided for future years..... 237,600.00 311,609.29

PROVISION FOR DEPRECIATION..... 4,669,932.98

\$37,348,724.41

Approved by the Board

"F. E. Hollingsworth", Director.

"W. P. Scott", Director.

STATEMENT OF CONSOLIDATED LONG-TERM DEBT
as at 31st December 1956

FIRST MORTGAGE BONDS (authorized \$15,000,000.00)

3½% First mortgage serial and sinking fund bonds, Series "A", composed of Serial bonds maturing in annual instalments of \$200,000.00 on 30th December 1957 to 1959 inclusive.....	\$ 600,000.00	
Twenty-year sinking fund bonds due 30th December 1969.....	6,000,000.00	6,600,000.00
4¾% First mortgage twenty-year sinking fund bonds, Series "B", due 1st February 1972 — authorized and issued \$1,500,000.00, less \$148,000.00 deposited with the trustee for cancellation in compliance with terms of the sinking fund — requiring a further sinking fund payment of \$37,000.00 on 1st February 1957.....		1,352,000.00
5% First mortgage twenty-year sinking fund bonds, Series "C", due 1st February 1973 — authorized and issued \$2,250,000.00, less \$168,000.00 deposited with the trustee for cancellation in compliance with terms of the sinking fund — requiring a further sinking fund payment of \$56,000.00 on 1st February 1957.....		2,082,000.00
4½% First mortgage twenty-year sinking fund bonds, Series "D", due 1st December 1976 — authorized \$4,000,000.00 — issued \$2,750,000.00, less \$750,000.00 held by the trustee in safekeeping — requiring a sinking fund payment of \$100,000.00 on 1st December 1957.....		2,000,000.00
		<u>12,034,000.00</u>

DEBENTURES

4¼% Twenty-year sinking fund debentures, 1955 Series, due 1st August 1975.....	4,500,000.00	
		<u>\$16,534,000.00</u>

STATEMENT OF CONSOLIDATED EARNED SURPLUS
for the Year Ended 31st December 1956

BALANCE AS AT 31st DECEMBER 1955.....		\$ 1,452,294.62
Add —		
Net income for the year 1956.....	\$ 679,253.48	
Profit realized on disposal of investments.....	1,150.00	
Contributions in aid of construction.....	675.00	681,078.48
		<u>2,133,373.10</u>
Deduct —		
Dividends declared and paid on preference stock during the year 1956.....		95,646.25
BALANCE AS AT 31st DECEMBER 1956.....		<u>\$ 2,037,726.85</u>

STATEMENT OF CONSOLIDATED INCOME
for the Year Ended 31st December 1956

OPERATING REVENUE:		
Electric.....	\$3,193,176.22	
Hydraulic.....	62,227.18	3,255,403.40
OPERATING EXPENSES:		
Operation (less \$47,495.74 charged to construction).....	465,970.02	
Maintenance.....	254,098.63	
Depreciation.....	663,527.85	
Taxes, other than income taxes.....	146,031.85	
Directors' fees.....	11,946.67	1,541,575.02
NET OPERATING INCOME.....		<u>1,713,828.38</u>
OTHER INCOME:		
Interest revenue.....		42,355.20
GROSS INCOME.....		<u>1,756,183.58</u>
OTHER CHARGES:		
Interest on long-term debt.....	619,211.52	
Less — Interest charged to construction.....	66,708.71	
	<u>552,502.81</u>	
Amortization of debt discount and expense.....	24,827.29	577,330.10
NET INCOME BEFORE INCOME TAXES.....		<u>1,178,853.48</u>
PROVISION FOR INCOME TAXES:		
Taxes payable for the year.....	343,700.00	
Taxes deferred (see note).....	155,900.00	499,600.00
NET INCOME.....		<u>\$ 679,253.48</u>

NOTE:

It is estimated that approximately \$346,500.00 more capital cost allowance is claimable for the year 1956 than the amount of depreciation provided in the accounts, resulting in the payment of approximately \$155,900.00 income taxes being deferred until future years.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Great Lakes Power Corporation Limited (an Ontario corporation) and its subsidiary, Great Lakes Power Company, Limited, as at 31st December 1956 and the related statements of consolidated income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We have obtained all the information and explanations we have required and, in our opinion, the accompanying consolidated balance sheet and statements of consolidated income and surplus present fairly the financial position of Great Lakes Power Corporation Limited and its subsidiary as at 31st December 1956 and the results of their operations for the year then ended, according to the best of our information and the explanations given to us and as shown by the books of the companies.

Toronto, Ontario
22nd February 1957.

"RIDDELL, STEAD, GRAHAM & HUTCHISON"
Chartered Accountants.

GREAT LAKES POWER CORPORATION LIMITED AND GREAT LAKES POWER COMPANY, LIMITED SUMMARY OF NET EARNINGS FOR THE TEN YEARS ENDED 31st DECEMBER 1956

Fiscal Year Ended 31st December	Earnings as Defined in Notes 1 and 2	Provision for Depreciation See Note 3	Interest on Long-Term Debt	Amortization of Debt Discount and Expense See Note 4	Provision for Taxes on Income See Notes 5 and 6	Net Earnings
1947	\$1,178,534	257,092	275,817	19,052	265,510	361,063
1948	1,252,497	259,441	262,890	11,535	265,074	453,557
1949	1,414,287	289,240	237,332	11,544	347,235	528,936
1950	1,569,179	312,000	481,425	26,225	314,943	434,586
1951	1,829,568	500,000	469,856	18,637	431,179	409,896
1952	1,984,326	777,900	512,541	21,032	327,512	345,341
1953	2,054,919	900,000	579,931	24,111	284,376	266,501
1954	2,292,630	900,000	611,529	28,466	378,268	374,367
1955	2,152,287	658,483	603,195	26,083	378,960	485,566
1956	2,486,420	663,528	619,212	24,827	499,600	679,253

NOTES:

- Great Lakes Power Corporation Limited was incorporated 14th December 1949 and acquired all of the issued and outstanding capital stock of Great Lakes Power Company, Limited on 30th December 1949. Accordingly, the figures shown above for the two years 1947 and 1948 pertain only to the operations of Great Lakes Power Company, Limited, and the figures for the eight years 1949 to 1956, inclusive, pertain to the operations of both Great Lakes Power Company, Limited and Great Lakes Power Corporation Limited after eliminating any inter-company transactions.
- The earnings shown in the first column above are net earnings from operations and miscellaneous income after all charges and provisions excepting depreciation, interest on long-term debt, amortization of debt discount and expense, taxes on income and certain non-recurring items. These earnings reflect the charging of interest and overhead expenses to the cost of plant construction work in progress in the years 1948, 1950, 1951, 1952, 1953, 1954, 1955 and 1956 in the amounts of \$22,132, \$31,930, \$84,021, \$104,734, \$90,994, \$67,036, \$48,992 and \$114,204, respectively.
- For each of the two years 1955 and 1956, depreciation was provided on the basis of 2½% of the cost of depreciable utility plant assets plus \$200,000 as amortization of the excess of the appraised value of assets over cost as at 31st December 1949, which excess value was reflected in the accounts in 1955. This is a reversion to the straight line method of providing depreciation, which method was followed prior to the year 1950, and contemplates the amortization of the book value of assets on an estimated life-expectancy basis.
- Unamortized debt discount, premium and expense relative to bond issues refunded in 1947, 1949 and 1955 in the amounts of \$221,025, \$361,499 and \$211,715, respectively, were written off to Earned Surplus and are not included in the above summary.
- The annual provisions for taxes on income included above for the eight years ended 31st December 1954 have been adjusted to reflect the taxes assessed and paid for such years. The provisions shown for the years 1955 and 1956 are considered to be adequate.
- As a result of claiming capital cost allowance for income tax purposes in excess of the depreciation provided in the accounts, it is estimated that income tax payments of approximately \$81,700 and \$155,900 for the years 1955 and 1956, respectively, are deferred until such a time as capital cost allowance claimable will be less than the depreciation provided in the accounts. The above provisions for taxes on income include the amounts of these estimated future payments and the total thereof is reflected in the accounts as a deferred liability.

AUDITORS' REPORT ON SUMMARY OF NET EARNINGS

We have examined the books and accounts of Great Lakes Power Corporation Limited for the period from 14th December 1949 (date of incorporation) to 31st December 1956 and those of Great Lakes Power Company, Limited for the ten years ended 31st December 1956 and report that, in our opinion, the accompanying statement, subject to the notes thereon, fairly presents the net earnings of the companies for the period of ten years ended 31st December 1956, according to the best of our information and the explanations given to us and as shown by the books of the companies.

Toronto, Ontario
22nd February, 1957

"RIDDELL, STEAD, GRAHAM & HUTCHISON"
Chartered Accountants.